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STATE FOR EUR/CARC. EB/MTA/BTA AND EB/TPP/MTA  
STATE PASS USTR FOR PAUL BURKHEAD AND CECELIA KLEIN  
COMMERCE FOR ITA/MAC/4231 DANICA STARKS

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TAGS: [ETRD](#) [USTR](#) [WTO](#) [GG](#) [RU](#)

SUBJECT: LITTLE PROGRESS RESULTS FROM MAY 31 GEORGIA-RUSSIA  
WTO DISCUSSIONS

Classified By: Ambassador John F. Tefft, reason 1.4(b) and (d).

(C) 1. Georgian trade, customs and immigration officials spent a grueling seven hours on May 31 negotiating with Russian counterparts, including Russia's chief WTO negotiator Max Medvedkov, about Georgian objections to Russia's WTO accession bid. According to Georgia's lead WTO negotiator, Deputy Minister of Economic Development Tamuna Kovsiridze, the Georgian side had a hard time getting the Russians to take their concerns about the operation of border crossings from Russia into Abkhazia and South Ossetia seriously. The crossings operate without the consent of the Georgian government. Georgia insists they contravene the 2004 Georgia-Russia bilateral agreement for Russia's WTO accession, which Georgia revoked in June 2006 because of Russia's non-compliance with promises to regulate or close the crossings. The issue is of vital importance to Georgia for two reasons. One, the GOG has no control over the flow of people, goods, weapons, narcotics and even nuclear materials onto its territory. Two, the issue cuts to the heart of Georgia's claim of sovereignty over South Ossetia and Abkhazia.

(C) 2. Kovsiridze said that the Russians were not as well-prepared for the discussions as the Georgian side. Most of the debate was about whether the border crossing issue was WTO-related, and even whether Georgia has a right to complain about the existence of the crossings in the first place. For example, when the Georgians asked why the Russians allowed the border checkpoints to operate without Georgia's consent, the Russians replied, "Did you ask us for permission to open a checkpoint at the new airport in Tbilisi?" Kovsiridze considers that response as frivolous because the airport is not located on the border of a foreign country, as are the crossings in Abkhazia and South Ossetia. As a result, the discussion did not reach the issue of what practical solution could be reached that would allow Georgia to consent to Russia's proceeding with multilateral negotiations in the WTO.

(C) 3. Kovsiridze and the GOG consider the border crossing issue to be squarely within the purview of the WTO, because it involves tariffs, customs procedures and other matters that are clearly trade-related. The discussions with the Russians revealed some information that the Georgians believe will be useful in supporting their arguments, such as an admission that Russian customs authorities are accepting at the disputed crossings certificates of origin issued by the Chamber of Commerce in Sokhumi, and that Turkish goods are entering and transiting Abkhazia into Russia without inspection or imposition of tariffs by the Georgian authorities.

(C) 4. Comment: The Russian negotiators were willing to meet

again with the Georgians, perhaps in July. The Russian government has expressed a desire to wrap up WTO negotiations by the end of the year, which may be motivating their officials. The Russian attitude in the negotiations with Georgia is at odds with the GOR's professed respect for Georgia's territorial integrity, but consistent with their more or less overt support for the legitimacy of the de facto authorities in Abkhazia and South Ossetia. Their lack of seriousness in the negotiations so far reflects an apparent reluctance to come to grips with these two contradictory positions. Removing the Georgians as a roadblock to their WTO accession will require from Russia either highly creative diplomacy or tough decisions about how to treat the separatist regions. End Comment.  
TEFFT